

# FOREIGN POLICY BULLETIN

*An analysis of current international events*



1918-1948

FOREIGN POLICY ASSOCIATION • INCORPORATED • 22 EAST 38TH STREET • NEW YORK 16, N. Y.

VOL. XXVIII No. 1

OCTOBER 15, 1948

## **Strategic Problems Raise Thorny Spanish Issue**

WASHINGTON—The assumption that Spain could fight effectively in a major war underlies the announcement on October 6 by Chairman Chan Gurney of the Senate Armed Services Committee that he favors the creation of an alliance between the United States and the Spanish government. Yet only two years ago the Truman administration belittled the actual and potential armed strength then at the command of General Franco.

When the UN was considering the complaint that the Franco government endangered international peace and security, the State Department reported to the Security Council Subcommittee on the Spanish question that "the combat efficiency of the Spanish army is estimated to be only fair." This, the report continued, was despite the fact that "Spain, with a population of 25,000,000, has an estimated maximum of less than 4,000,000 men between the ages of 18-45 fit for military service" and "approximately half of this number have had some form of military training." It found that "production . . . in the armament . . . industries . . . has been [redacted]"; and that Spanish fortifications in the Pyrenees "would be of considerable help against attacks of lightly armed forces but of doubtful effect against well equipped armies." Spain has been unable to rectify those military shortcomings since 1946, and its railroad system, necessary in military operations, has suffered a progressive deterioration, manifested in frequent wrecks.

### **Friendship with Spain**

Despite Spain's inherent weakness as a

fighting ally, interest in establishing close relations with Franco's government is attracting such influential support in the United States that it may be difficult for the President, whether Republican or Democrat, to ignore it during the next session of Congress unless the present Administration can demonstrate now that intimate association with Spain could harm as well as help us. Already the State Department, in response to recommendations made in a formal report last February 28 by Representative Leonard W. Hall, Republican, of New York, has decided to advocate Spain's admission to the International Civil Aviation Organization, one of the specialized UN agencies. The tendency among Mr. Hall's Republican colleagues—a majority of whom voted last spring to include Spain in the Marshall plan—for conciliation with Franco is still strong and, regardless of the outcome of the Presidential election, the Republican party apparently will continue to control the House.

"To judge from press reports, the future of Spain constitutes one of the main topics of discussion in international circles," Juan de la Cosa said on the official radio in Madrid on October 7. Although the State Department, conscious of the hostility of non-Communist Western Europeans toward Franco, opposes other changes in the present relationship with Spain, Secretary of State Marshall himself recently sounded out the British and French governments as to whether they would support a proposal in the UN General Assembly to revoke the decision of 1946. This called on UN members to

withdraw their ambassadors and ministers plenipotentiary from Madrid. Acting on the suggestion of Argentina, Marshall nevertheless made it clear that the United States would not initiate the move for revocation. However, Senatorial visitors to the American Embassy in Madrid found sentiment there for the cementing of Hispano-American understanding, and Eric A. Johnston, president of the Motion Picture Association of America, announced in Madrid on October 8 that he would urge his country to appoint an ambassador at once to Spain. James A. Farley, former chairman of the Democratic National Committee, said in a radio interview in Madrid on October 4: "I hope that in the near future Spain can take part in the benefits deriving from the Marshall plan for European recovery."

The threat of war implicit in the deterioration of relations between the United States and the Soviet Union accounts for the revival of movements to make an alliance with Spain, to give Spain economic assistance through the Marshall plan, to revoke the UN decision, and to gain admission for Spain to the UN (impossible as long as a permanent member of the Security Council opposes it).

President Truman remains so hopeful that peaceful means can be found to alleviate the conflict between the two great powers that he planned, until Secretary Marshall objected, to send Chief Justice Vinson to Moscow to talk with Premier Stalin. The prevailing opinion in Washington, especially in military circles, however, reflects Marshall's statement to European trade union leaders in Paris on October 8

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that the blockade to Berlin is a "threat to the peace." Stimulated by this pessimism, the proponents of friendship with Franco see in Spain a bastion, situated behind the natural protecting wall of the Pyrenees, which the United States would use as an air base in a European war. The advocates of a new Spanish policy contend also that because Franco's regime appears to have obliterated communism in Spain, armed forces there are safe from sabotage or espionage by persons loyal to the Soviet Union. Moreover, the argument runs, the addition of Spain's army to the pool of forces on which the West can draw would bring the total military manpower of the West closer to the present strength of the Soviet Union and its satellites. The military establishment here estimates Russian strength at 5,200,000 men, Western strength at 4,400,000. Spain in 1947 had 422,050 men under arms, according to a report published last July 16 by the Spanish Embassy in Washington.

### Opposition to Friendship

The American interest in Franco, however, endangers the realization of American hopes for the establishment of close military relationships with the Brussels pact Western union powers and other states in Western Europe which have more manpower than Spain to draw on, for most of them are not prepared to co-operate militarily with Franco. The State Department hopes that Norway, which has heretofore opposed the Spanish regime, may dissociate itself from Sweden's neutrality policy before the end of the year and join America and the Western union powers. The Executive Committee of the British Labor party declared on October 8 that "any proposal to enter into closer relations with Franco Spain would seriously jeopardize the movement for Western Union." The British Labor party continues the opposition which it recorded in 1944 to close political ties with Franco. The French and British governments rebuffed Marshall

when he asked them if they would vote to withdraw the 1946 decision.

The European hostility toward a military arrangement with Spain is not merely ideological, but reflects fear that Americans have lost hope of power to halt a Russian military advance in Central Europe and intend to make a stand in Spain with the Pyrenees as a kind of Maginot Line. The emphasis on Spain, instead of strengthening accordingly, weakens the morale of our other prospective West European allies. Finally, Franco apparently would make an unwilling ally. The Spanish press indicates that he would prefer neutrality, even in a war between the West and the Communist powers, to belligerency on the American side. The Madrid newspaper *Ya* on September 29 recommended that both the Soviets and Americans withdraw their armies of occupation in Germany to "make war so difficult physically that perhaps it might disappear in a calm atmosphere of mutual concessions and obligation."

BLAIR BOLLES

## Unrest In Southeast Asia Spurs Communist Violence

Widespread terrorism and revolutionary violence in Southeast Asia have to some extent diverted attention from the "cold war" in Europe. Native government officials in Burma and Indonesia claim that documents have been found linking Communist-led activities throughout the area, and this has also been affirmed by British Foreign Secretary Bevin in speaking to the House of Commons on September 15.

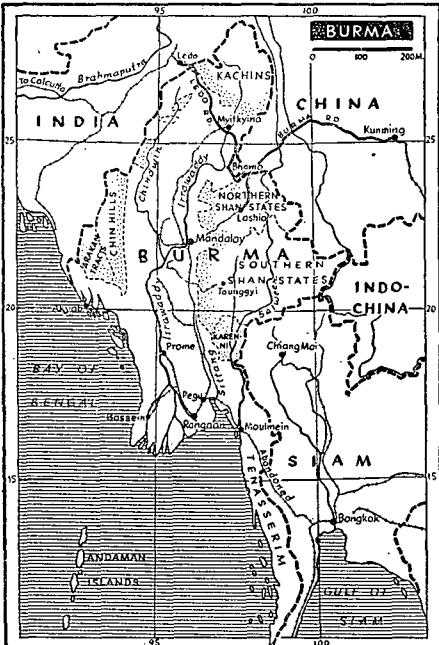
Whatever weight may be given to these claims, it is clear that in each of the areas involved there are indigenous causes for dissatisfaction. That Communists should have taken an active part in catalyzing existing unrest was only to be expected. Any adequate understanding of the situation, however, requires insight into local conditions rather than broad generalizations about "red penetration." The problems of Burma, Indonesia and Malaya are taken here as illustrations.

### Burma Struggles for Stability

At the present time the Burmese government faces revolts organized in the north by several allegedly Communist groups, while to the southeast it confronts an uprising of dissatisfied Karen tribesmen seeking local autonomy. This represents the climax of a series of postwar developments.

When the Japanese withdrew at the end of the war, Burmese resistance forces had

largely fused into the Anti-Fascist Peoples Freedom League (AFPFL) which united, among others, the Communist and "Socialist" parties and the armed groups of the People's Volunteer Organization (PVO),



under the leadership of U Aung San, one-time collaborator and later resistance chief. The main unifying ideas for political organization were anti-imperialism and exacerbated nationalism. Arms left by

the retreating Chinese and British, plus others flown in later by the Allies, and finally those abandoned by the Japanese made possible the arming of numerous locally organized groups. Under these circumstances the British encountered widespread resistance when they attempted to reimpose their rule, while the complete economic disintegration of the much-fought-over countryside and the easy availability of arms encouraged banditry and anarchy.

Britain finally concluded an agreement in January 1947 which led ultimately to independence, beginning January 4, 1948.\* Internal rivalry, however, greatly complicated the position of the new state. On July 19, 1947 U Aung San and six cabinet members were shot dead by a group of desperadoes. U Saw, a rival politician, was subsequently tried, found guilty and sentenced to death. Leadership fell to Aung San's deputy, Thakin Nu, who had previously been active in organizing protest strikes. While Thakin Nu turned his attention to the problems of establishing stable government, some of his former colleagues remained in violent opposition. The "Red Flag" Communists, especially, were bent on disorder and terrorism, a goal they achieved. The "White Flag" Communists (Stalinist) meanwhile col-

\*See *Foreign Policy Bulletin*, February 7, 1947, January 16, 1948.

laborated fitfully with the AFPFL, but in March 1948 they organized a series of strikes which were put down by the government. The Communist leaders then went underground in Rangoon and into open insurrection in the hinterland.

### **Socialism in Burma**

Meanwhile the government began to put various Socialist reforms into operation. Land rents were reduced to one-fourth of their former level, with land nationalization set as the ultimate goal. Landlords and moneylenders were shorn of their former rights, and public services were nationalized. Many British enterprises were expropriated on June 1, subject to a promise of compensation. In foreign policy the government sought friendly relations with the Western powers as well as with the Soviet Union. The Communists on the other hand, who had opposed the military and economic concessions granted to Britain by treaty, advocated more extreme measures, such as noncompensation for expropriated enterprises, and wished to orient foreign policy exclusively toward Russia. Further deterioration of central government authority, combined with the rapid economic changes and the exodus of foreign skilled personnel who could not quickly be replaced by natives, all tended to deepen the chaos into which the country had fallen. Further difficulties for the government arose when the "Yellow Band" majority in the PVO with its armed groups revolted, some army units mutinied, and the activities of "dacoits" or bandit groups increased.

At the end of August new developments took place. Karen tribesmen of Tenasserim, the Southeastern division, revolted and succeeded in gaining control of Moulmein, chief seaport of the area. The Karen people, who are ethnically different from the Burmans, had sought regional autonomy and special protection from the new government, but despite their failure to obtain concessions, had supported the struggle against the Communists. Out of Burma's population of 15 million, 3 million are Karen who constitute one-third of the armed forces. During the war they had fought the Japanese and were suspicious of the various government leaders who had records as collaborators. Their organization, the Karen National Union, claims to have 2.5 million members, and is well organized. They have consistently refused to participate in the government, uniting with the other

hill tribes—Chins, Kachins and Shans—in seeking local autonomy.

At the present time, however, the Karen seem to have reached the conclusion that the government might give way to the Communists. Rather than be subjected to further socialization, and fearing that a Communist government would resist autonomy even more than the present regime, the Karen decided to strike for whatever position they could obtain by their own strength. The establishment of control over a considerable region around Moulmein put them in a good bargaining position to exact concessions from the government in exchange for giving up the revolt and helping in the struggle against the Communists. However, this new threat might force the government itself to make overtures to the Communists in order to establish a united Left Front against the hill tribes. The government in recent weeks has been pressing a vigorous military campaign against these rebels.

The assassination of U Tin Tut, former Foreign Minister, on September 18, while he was preparing to leave for London as Ambassador, accentuated the process by which the most outstanding Burmese leaders have been removed from the scene. This has increased the internal difficulties faced by the new regime and at the same time has lowered its international prestige.

### **Indonesian Politics**

As in Burma, an independent government in Indonesia, which evolved from resistance forces developed during the war, faces Communist revolt on the one hand and the problem of separatist movements on the other, complicated, in this case, by the direct pressure of the Dutch and their support of various autonomy movements.\*\* Establishment of a Communist-led regime in Madiun on September 18 followed by rapid government action in putting down the revolt, including the reconquest of Madiun on September 30, brought to a head an internal struggle for power which has gone on ever since the formation of the Indonesian Republic on August 17, 1945. This government depended on the collaboration of all factions as reflected in the "Provisional Parliament" (K.N.I.P.) to which President Soekarno appointed the leaders of the main parties and groups. Up to the end of 1947 the major groupings in the

K.N.I.P. consisted of the Left wing, known as the *Sajap Kiri*, which included the Socialist, Labor, and Communist parties, the para-military Socialist Youth Organization (*Pesindo*), a group of guerrilla bands called the *Laskar Rajat*, and the Federation of Industrial Workers (S.O.B.S.I.). This coalition, which advocated conciliation and compromise in negotiations with the Dutch, was represented by Soetan Sjahrir, Premier until June 1947, and leader of the moderates in the Socialist party. Balancing the *Sajap Kiri* were the right-center parties known as the *Benteng Republik*, consisting primarily of the *Masjumi* or Islamic party, and the Nationalist party (P.N.I.). The *Benteng* initially took a militant and uncompromising attitude toward the Dutch.

The first major shift in the government took place in June 1947 when Premier Sjahrir, after agreeing to some compromises with the Dutch during the negotiations for implementation of the Linggadjati Agreement (March 25, 1947), was forced out of office and replaced by Amir Sjarifoeddin, leader of the radical faction in the Socialist party. This not only brought about the collapse of the negotiations and the Dutch "police action" in July, but hastened socialistic changes.

A second shift occurred after Premier Sjarifoeddin signed the Renville truce agreement on January 17, 1948, concluded under the auspices of the UN Committee of Good Offices. This time the rightist *Benteng* groups refused to support the government unless they were given more decisive representation in the cabinet. As a result Sjarifoeddin resigned and Vice-President Mohammed Hatta, leader of the P.N.I., assumed the premiership, forming a cabinet from the *Benteng* in which the *Sajap Kiri* refused to participate. Paradoxically, once in power the *Benteng* carried out the truce agreement while Sjarifoeddin took the lead in denouncing his own handiwork.

Although this internal shift resulted in the elimination of the leftist parties from responsible posts, the government itself continued the Socialist policies already mapped out. The Dutch occupation of key coastal cities and much of the most productive areas of Java, sporadic fighting, and especially Dutch economic restrictions which had the effect of a blockade, however, increased the internal difficulties of the struggling government to the point where the opposition began to call for violent and desperate measures.

\*\*See *Foreign Policy Bulletin*, August 1, and 15, 1947, February 20, 1948.

Meanwhile Republican leaders who had at first looked to the United States for aid and comfort came to feel that this country, in giving Western European recovery priority over aid to underdeveloped areas like Indonesia, was indirectly supporting the Dutch. Recent authorization by the E.C.A. for the Netherlands to use \$54,000,000 of aid funds in occupied Indonesia was taken as evidence of the correctness of this view, although Dutch authorities claim the money will be used only for the economic development of the Indies.

Meanwhile, the Soviet Union which has no responsibilities in this area has repeatedly affirmed its unequivocal support for Indonesian independence. Under these circumstances it was only natural that the vigorous leftist opposition parties should be attracted toward rapprochement with the Soviet Union.

FRED W. RIGGS

(In a later issue details of the Communist-led revolt and of current negotiations with the Dutch will be given, as well as an account of the situation in Malaya.)

## FPA Bookshelf

*German Realities*, by Gustav Stolper. New York; Harcourt, Brace, 1948. \$3.75

The economic realities of postwar Germany are ably discussed by the late Dr. Stolper, a distinguished economist who served as adviser to former President Hoover in Germany in 1947.

*Report on the Greeks*, by Frank Smothers, William H. McNeill and Elizabeth D. McNeill. New York, Twentieth Century Fund, 1948. \$2.50

This compact volume, prepared in 1947 by the Twentieth Century Fund, one of whose members, William H. McNeill, is the author of the best recent book on Greece, *The Greek Dilemma*, is a valuable source of information on all aspects of Greek life. Written with a sense of historic perspective and in a tone of objectivity, it helps to interpret developments since inauguration of the Truman Doctrine.

*The West at Bay*, by Barbara Ward. New York, Norton, 1948. \$3.50

An interesting and timely book. The foreign editor of the London *Economist* discounts the views of those who accuse the United States of imperialism, and makes concrete proposals for economic and political integration of Western Europe and close co-operation with this country.

*A National Policy for the Oil Industry*, by Eugene V. Rostow. New Haven, Yale University, 1948. \$2.50

In this case study in public policy Professor Rostow of Yale University presents a descriptive and historical picture of the oil industry. He believes that present policy in this country is economically wasteful and politically undesirable and suggests antitrust measures and unit production of all oil fields.

*President Roosevelt and the Coming of the War, 1941*, by Charles A. Beard. New Haven, Yale University, 1948. \$5.00

In this highly controversial volume, a sequel to *American Foreign Policy in the Making, 1932-1940*, the late Professor Beard, who had vigorously opposed American intervention abroad, criticized President Roosevelt's personal direction of foreign affairs on the eve of Pearl Harbor. He believed Roosevelt's policy inevitably led to a clash with Japan.

FOREIGN POLICY BULLETIN. Vol. XXVIII, No. 1, OCTOBER 15, 1948. Published weekly from September through May inclusive and biweekly during June, July and August by the Foreign Policy Association, Incorporated. National Headquarters, 22 East 38th Street, New York 16, N. Y. BROOKS EMERY, President; HELEN M. DAGGETT, Secretary; VERA MICHELES DEAN, Editor. Re-entered as second-class matter June 4, 1948, at the Post Office at New York, N. Y., under the Act of March 3, 1879. Four Dollars a Year. Please allow at least one month for change of address on membership publications.

F. P. A. Membership (which includes the Bulletin), Six Dollars a Year.  
Produced under union conditions and composed and printed by union labor.

## Forthcoming F.P.A. Meetings

DETROIT, October 18-19, *The Middle East*,

John S. Badeau

HOUSTON, October 20, *Creating a New State in Germany*, Alexander Boeker

AUSTIN, October 21, *Germany: Pawn Between East and West*, Alexander Boeker  
OKLAHOMA CITY, October 22, *Germany: Pawn Between East and West*, Alexander Boeker

SPRINGFIELD, October 23, *Germany*, Frederick Cramer, Vaso Trivanovich

TULSA, October 26, *Creating a New State in Germany*, Alexander Boeker

## Reports Available Now

In its third annual report, issued on September 29, the International Bank for Reconstruction and Development stated that it is important for an underdeveloped country to work out an over-all development program in order to minimize spotty and wasteful investment. Such a program, said the Bank should be based on the existing natural resources, the country's location, climate and type of population, and the financial and administrative resources available. To understand the issues raised in the Bank's report, READ

PROBLEMS OF THE UNDERDEVELOPED COUNTRIES—I & II

by Harold H. Hutcheson

September 15 and October 1, 1948 issues

What are the prospects for Western European Union? What role will Britain play in it? READ

BRITAIN AND WESTERN EUROPEAN UNION

by Grant S. McClellan

October 15, 1948 issue

Foreign Policy Reports—25 cents each

Subscription \$5; to FPA members, \$4

Harvard University, provides a comprehensive analysis of the basic forces and patterns which characterize Chinese society, thereby laying a solid foundation for an understanding of the problems confronting American policy. He contends that a policy which sought to meet the legitimate needs of the total population would serve America's interests far better than one based upon aid for a regime which, in his opinion, is progressively losing all popular support.